

SOCIAL



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FAITH FOR RECONSTRUCTION

By

ROSE TERLIN

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WE MUST HAVE FAITH

In the last two years, it has become increasingly difficult to schedule forthcoming issues of SOCIAL ACTION. The world scene has presented changes so rapid and tragic that prophecy becomes ancient history—in a moment.

"Faith for Reconstruction" was planned last June. At that time the future was uncertain. Beneath the surface of partisan politics and non-partisan differences of opinion as to the right course for us to follow lay the dreadful uncertainty: Would the United States be able to keep out of the ever-widening conflict?

Now, as we go to press, the question has been settled. We are at war with Japan and her allies. Our almost breathless hope that we might be able to maintain a zone of sanity in a mad world will become the agonizing hope that the war may be short and that suffering may not be too great.

We believe that we planned more wisely than we knew last June. Faith for Reconstruction is needed this Christmas season. We shall require it in the months and years that lie ahead.

Out of our too little faith and our too great selfishness has come the present world of which we are a part and which we have helped to create.

The immediate future is dark. But even that darkness can be lightened if the Christmas message of "good will to men" can be made triumphant over hatred and intolerance. And the far future of which we dream and for which we must work today can be one of "peace on earth" if we will follow the path made radiant by the Christmas star wherever it may lead.

—ELIZABETH G. WHITING

We fully endorse the following declaration of the Madras Conference (International Missionary Council, Madras, 1938).

"It is not enough to say that if we change the individual we will of necessity change the social order. That is a half truth. For the social order is not entirely made up of individuals now living. It is made up of inherited attitudes which have come down from generation to generation through customs, laws, institutions, and these exist in large measure independently of individuals now living. Change those individuals and you do not necessarily change the social order unless you organize those changed individuals into collective action in a wide-scale frontal attack upon those corporate evils."

It should not be necessary to say that such a view as this does not in any way minimize the crucial significance of personal religion, which must always be the spring of Christian life.

—Malvern Conference, 1941

"Proclaim ye liberty to all the land and to all the inhabitants thereof."

—Leviticus 25:10 (Inscribed on the Liberty Bell)

*"And all that we can always say
Is: true democracy begins
With free confession of our sins."*

—*The Double Man*, by W. H. Auden
By permission of the publisher,
Random House, Inc.

FAITH FOR RECONSTRUCTION

BY ROSE TERLIN

It has been said that "faith is not something we believe in spite of the evidence; it is something we dare in spite of the consequences." If ever there was a day in which Christians needed a daring faith, this is it. If ever there was a day when the voice of Christian action needed to speak in challenging words above the sound of terror and holocaust and suffering, this is it. If ever there was a day when strong and realistic leadership for a new day was needed, this is it. We must speak now, in words and deeds that are clear, concrete and unmistakable to those who might fear us. We must end their hope that the church is not dangerous, that it can be counted on to be all things to all men. The nature of the crisis through which the world is passing is so profound that we must speak now or, for centuries perhaps, hold our shameful peace.

It is clear that what we say must be related to the terrifying issues facing the world today. One of these is whether the Nazis are victorious or defeated. But that is by no means the whole issue. We may again "win the war and lose the peace," because this war is only one part of a larger issue. That issue may be stated many ways but it comes down to the question of whether the contradiction—between, on the one hand, the vast power and plenty which science has made available to man and, on the other, the form of economic and social organization which throttle these possibilities—is to be solved, and how it is to be solved. Shall we find a way by which democracy, freedom, cooperation, peace, and the full use and just distribution of the fruits of the earth and of man's labor will be possible—or shall we continue to our death the way of economic oligarchy, slavery to the machine, ruthless competition, war, starvation in the midst of plenty, denial of human values, and the worship of profit?

There are two hopeful signs that we shall not repeat the errors of the first world war. These developments are (1) the generally accepted fact that we are in the midst of a social revolution as well as war, and (2) the work of the ecumenical movement through the Oxford Conference on the Life and Work of the Churches, the World Council of Churches, etc., in establishing the *relevance* of Christian Faith to the

concrete problems of today, with a far-reaching critique, based on religious grounds, of the prevailing social and economic order.

Social Revolution. One has only to compare the declaration which followed the Roosevelt-Churchill meeting with the Fourteen Points of the last war to realize the degree to which social and economic problems take precedence over political questions in the thinking about a new world order. The Fourteen Points were almost purely political. The Roosevelt-Churchill declaration expressed the intent "to bring about the fullest collaboration between all nations in the economic field with the object of securing for all improved labour standards, economic advancement, and social security." It expresses the hope that "all men in all lands may live out their lives in freedom from fear and from want." This may be regarded by some as a good deal less than a commitment and, by others, a clever piece of political propaganda. It is highly significant that, whether commitment or propaganda, *this is the issue selected on which to appeal to the peoples of the world.* We all know that the morale of democratic countries in this struggle depends on the expectation that, after the war, we shall achieve a more genuine democracy; that we shall not return to the "good old days." One fact, the importance of which cannot be underestimated, is that, prior to 1914, we were in a period of economic *expansion*, of widening markets, seemingly limitless possibilities from the application of technology to production, and of confident faith that fundamentally we were sound and on the right road. But the period prior to 1939 was one of prolonged economic *contraction*, a deterioration marked by so much suffering and loss that public confidence in our economic organization was deeply undermined.

This was true in other countries as well as in America. Mr. Edward J. Phelan, Acting Director of the International Labor Office, said in his annual report to the ILO Conference, October, 1941:

Machines which have made possible mass production have also made possible mass unemployment, something against which, when it occurs, the individual worker, whatever his energy, initiative, and good will, is powerless. When millions of men feel this sense of despair and impotence their effective participation as citizens in the life of the community to which they belong is distorted if not destroyed. The principle of political equality which lies at the basis of the democratic system loses its value and efficacy if it is not translated into the economic life of the individual citizen. A healthy democracy, therefore, implies an adequate economic standing for its members, and since the conditions no longer exist in which it could be hoped

that this would be provided by an interplay of blind economic forces, self-preservation dictates that national and international policy must be directed deliberately to that end.

Economic security for the individual in this sense implies more than old slogans of "right to work" and "work or relief." It implies more even than the prevention of unemployment . . . it aims at enabling (the worker) to secure for himself and his family, all that is necessary to enable him in youth, through his working years, and in old age, to enjoy a place of dignity in the life of the community and to make to it whatever contribution his gifts and capacities may render possible.

This statement, written out of the knowledge of thought and experience in many different countries, is strikingly similar to the pronouncements from such Christian bodies as the Oxford and Malvern Conferences.

The Ecumenical Movement. An outstanding religious leader said recently that there is not a single reputable theologian who would say that Christianity had nothing to do with controversial social questions, not one who would say that the task of the church could be summed up in terms of the salvation of the individual.

This re-discovery of the full import of the Christian gospel, this new emphasis on the prophetic elements in the Christian faith is an event



of no small import. If we examine the record of church conferences during the last war and in the decade following the war, *in the light of the seeds of social conflict then being sown*, in the light of the false prosperity, exploitation, waste and corruption which we now know to have been the character of the period, we can only feel dismay and shame that the stern words of the Christian gospel were not spoken to those who were seeking it and to those who would fear it. We thought we could speak in dulcet tones to the roving tigers in our market places. At last we have discovered the nature of the tiger and we are now convinced that the Christian Gospel has a good deal to say about the species. Let us hope that paralysis and uncertainty will not characterize Christians today, when millions who are uncertain and bewildered seek clear and fearless leadership.

One of the outstanding fruits of the thinking and research which churchmen and laymen have been doing in the last decade was the pronouncement issued by the *Malvern Conference*¹ in England. This declaration of principles on which a new order must be founded or quickly perish did not call upon Christians to be a little less selfish, with the implication that our social problems would thereby be solved. Rather, it called upon the *state* and its citizens to face the unescapable necessity for a radical reorientation of the economic and social structure in the light of basic Christian convictions concerning the nature of God and man, as revealed both by the Old Testament and by the life and death of Jesus Christ.

1. The Archbishop of York's Conference on the Life of the Church and the Order of Society held at Malvern, England, under the auspices of the Industrial Christian Fellowship.

THE BASIS OF OUR FAITH

All of the pronouncements which have been made by Christian groups have two poles: the Christian gospel and the social order. Space precludes a detailed analysis here of the theological groundwork on which these Christian leaders have based their social criticism. However, it is essential to indicate the main focus of this theology for it is the whole basis of our faith for social reconstruction. The Christian view of man and the universe is grounded in the conviction that the purpose of Christian life is to serve *without reservation* the God who is Creator, Judge, and Redeemer of human life.

God as Creator of Man and the Universe. The conviction that God created man in His own image "to glorify God, and to enjoy Him forever" affirms that man is a creature of inherent dignity and supreme worth, with a high purpose and destiny. The life of man is not meaningless *unless* it is cut off from the God who created it. Man was created for a purpose; his life should show forth in its very being the glory and power of God. Likewise, this doctrine of creation affirms the fundamental equality of all men before God. In fact, the Christian teaching about brotherhood is derived from this affirmation of the equality of all men. All social arrangements, political institutions, economic structures and racial patterns which make it impossible for man to realize this essential dignity, which deal with human beings as cogs in a machine or figures in a corporation balance sheet, which in their very nature allow one set of human beings to live at the expense of another group of human beings—these are worse than mistaken. They *blaspheme* God, denying in their actions the very basic fundamental of religious faith and religious living.

The true purpose of economic activity is also found in the Christian doctrine of creation which affirms that God created the universe and provided its resources for the material needs of man; to be used not as man's exclusive possession to enhance his power and prestige, but for livelihood for the whole human race. Man holds it in stewardship. "Man does not live by bread alone," but *it is a religious issue of the first magnitude how man uses the bread God has given the human race.* Economics is not an alien sphere to the Christian faith. In the Christian view, economic activity is a means by which the fruits of the earth may be made available to meet the needs of "every living creature."

Hence the need for the Christian to speak boldly and specifically in condemnation of economic systems which have become merely devices by which those who have—whether by armed force or superior business ability—gained exclusive rights and are guaranteed superior returns. No Christian can ever put his stamp of approval on an economic order which is a cloak for warfare for bread between people and for exploitation of the weak by the strong. Economic life lived under the God revealed in Jesus Christ must be a symbol of our common life and the interdependence of all mankind.

God as Judge. The Christian concept of God as judge simply means that this is a moral universe possessed of order and meaning. "If wrong bring wrong forever" what grounds for hope or dynamic for reconstruction would there be? What kind of world would it be in which the race was always to the strong? Is it too much to suggest that if the chicanery, cynicism, buying and selling of nations, broken pledges and hypocritical pretensions of world politics since 1918—in which we were equally implicated—had *not* resulted in war, it would be hard to believe in God? As Sir Richard Acland, who played such an important role in the Malvern Conference wrote in *The Church Times* (London, March 3, 1941):

I can hardly doubt that if He had chosen, He could have persuaded the peoples of the League of Nations' countries to stand up to the aggressors in 1932, 1935, or 1938. Why didn't He? Is it really suggested that He said to Himself, "No, my British servants have not yet enough Spitfires, therefore I shall postpone the day of trial until they have a few more"? This seems to me very unlike the sort of language that God would ever use.

It seems to me much more likely that He said something like this: "There is no point whatever in having people killed and maimed all over again in the sort of war which they can once again 'win' without having to change their fundamental ideas about Life and Property, Humanity and Nationalism. I will do nothing to prevent their resisting evil now if, of their own free will, they have the strength to decide to do it. But I am uninterested in giving them once again something which is a mere opportunity for changing their ideas. They have had that before, and I learn from experience that they made no use of it. Therefore, if their errors are such that there must be another war, I am concerned, at whatever risks, to see that it be a war which they cannot 'win' (in their sense of that word) without having first been forced to change their ideas about these fundamental things. And when they begin to see that Property and Nationalism have been two false gods, then they may begin to turn back to Me."

In a moral universe we cannot escape the consequences of either our

actions or our failure to act. We must reject the immunity of miracles, as Jesus did in the wilderness, and accept the responsibilities as children of God for becoming instruments of God's justice and God's mercy.

God as Redeemer. It is the claim of the Christian Faith that it redeems men from sin and egotism and restores to them possibilities of freedom, growth and creativity which is their heritage as children of God. "He who has much given him will have much required from him." Why is the redemptive power of God not more evidenced in Christian living? Why do Christians not behave differently in their social, political and economic relationships from non-Christians? Why is it that the voices which cry out in indignation at the sufferings of unemployment, poverty and exploitation, the voices which challenge the whole basis of our senseless economic "order" are so rarely Christian voices? Is it because we do not pay the price of our redemption—repentance, *metanoein*—turning back in radical reorientation from the way we have been going as individuals and as a nation, confessing the hopelessness of that way and yielding our lives to the instruments of God's justice? "He who seeks to lose his life shall bring it forth a *living thing*." There is no other way to salvation—personal or social.

HISTORY AND DEVELOPMENT OF OUR ECONOMIC ORDER

The content of the next pages may seem odd to those who are seeking faith in more conventional terms. The truth is that *we know what we want*. We do not know what we must do to get it. Yet we cannot arrive at any clear understanding of what we must do until we know where we are and how we came to be in this situation. The blind cannot lead the blind. It is one of the most unfortunate aspects of our problem that so few of the rank and file of our citizenry have any understanding of the *dynamics* of our economic life—what it exists for and how it works. Without such understanding there will be no possibility of intelligent, democratic change. If we see the history of our growth as a nation in relation to its glorious traditions, we shall not be so inclined to regard problems, which must be faced and dealt with intelligently, as if they were controversial bogies conjured up by malcontents. We must learn to consider economics not as the "dismal science" (a

very dilettante view) but as the problem of how we get our bread and shelter—and what kind—a vital issue to millions!

The report of the Malvern Conference is a milestone in the history of Christian thought, but the full significance of its statements can be understood only in the light of economic and social relations obtaining in the Western world. It will be necessary, therefore, to examine our economic development and structure before considering the leads which the Malvern Conference offers for the future.

Purpose of an Economic System. The purpose of any economic system is to produce and distribute goods and services. The test of the effectiveness of a particular system is whether it is producing and distributing goods and services in proportion to the level of technological development, the available capital, raw materials and skilled labor.

The present method of operating our economic system, which we call capitalism, was born in the great struggle of the eighteenth century to free the minds and spirits of men, the political institutions and the economic order from the restrictions of the Middle Ages. A social, political and economic revolution was necessary if the fruits of infant science and the stretching, not only of men's imaginations, but also of trade made possible by the great navigators, were to be realized. Thus the struggles for religious liberty, for intellectual freedom (Rousseau and Voltaire), for political freedom (the American and French Revolutions) and for economic freedom (the "free enterprise" of Adam Smith) were all part of the same great movement. The purpose of the struggle was the same in every field: *to give mankind, released from outmoded social institutions, the rich endowments of expanding science.* The dawn of capitalism was thus a step forward in human development.

The Formulation of Our Economic Philosophy. This system of free enterprise released the economic forces which made possible a more rapid development of industry and commerce and a more extensive application of science to economic life than would ever have been possible under feudalism. The classical formulation of the principles of free enterprise which was made in the late eighteenth century can be summarized as follows: (1) The purpose of economic enterprise was to produce profit. (2) Freedom of competition was essential to develop efficiency and make rapid progress in the use of new tech-

niques. (3) The survival of the fittest, which would result from free competition, would make for maximum efficiency and the consequent greatest possible benefit to the whole community. Reward would be for industry, efficiency, greater ability and the willingness to take risks. (4) The system would regulate itself by means of the mechanism of price in a free market, i.e., if an entrepreneur over-produced, he would suffer by a decline in the price in the market and would produce less the next year. (5) A policy of *laissez-faire* was considered essential to the natural operation of the system—i.e., no interference from government, no labor organizations, no trade associations, etc., which would introduce artificial factors. The expectation was that a natural and pre-ordained harmony, an “unseen hand,” would make independent “economic laws” operate so to govern the self-interest of individuals that not only the greatest material benefit would result but social justice would also be established. “Each man, seeking his own, would serve the common weal.”









To what extent have these expectations been realized in America?

A Brief History of American Economic Development. When the United States became a nation in 1789 we were predominantly an agricultural country with vast unexplored territories within the original states and with undeveloped resources of great value. Manufacturing was on a limited scale, with a number of units so small that they were essentially family enterprises, often with a few apprentices attached to each. Ownership, management and, very frequently, workers were the same. We lacked adequate capital, man power and transportation facilities, in relation to the vast raw materials available in America. An illustration of how our situation has changed and of the way in which mores are conditioned by economic necessities might be pointed out here. One of the virtues considered most important in the eighteenth and nineteenth centuries was *thrift*. Why? Because we needed our money for capital to invest in new enterprises and in developing old ones. But today (under “normal” conditions prior to the defense program) we are encouraged to buy on the installment plan, i.e., in excess of our incomes, in order that the fruits of mass-production industries may have a market. We suffer now from “over-saving” and have more capital than we had (prior to the defense program) channels for its profitable investment. Today there is little preaching on the virtues of thrift!

America was richly endowed with the God-given resources which those who came here to establish a land of liberty found free, alas, for the "taking." Agricultural resources, mineral resources, water-ways, etc., were available in abundance. The lack of capital was overcome by borrowing abroad, by thrift and by the expansion of commercial credit. "Cheap and docile labor" was the cry of the nineteenth century; a cry answered by the free or forced migration of millions who came from Europe, Africa, and even the Orient to till our fields, operate our factories, mines and mills, and build our railroads. Exploitation of resources, people and scientific discoveries was the keynote of the nineteenth century. Who can deny that the wealth produced in industries, goods and money by this gigantic effort is a *social* product? What Christian with any understanding of God as creator of the resources of the earth, can say that this belongs to private individuals who often supplied only one factor in it—capital? If the war now being waged is being paid for by the "sweat, blood, and tears" of continents, so too was our advance from thirteen poor states strung along the Eastern seaboard to a nation which is the greatest economic power in the world.

The outstanding characteristics of this expansion were: the rapid

WHAT IS INDUSTRIAL REVOLUTION?

1800	 <p>PRODUCTION NEEDS WERE SIMPLE TOOLS</p>	 <p>A MAN MADE OR BOUGHT ALL THE TOOLS HE NEEDED</p>	 <p>AND HE WORKED HARD</p>	 <p>HARD WORK BROUGHT HIM PROFIT</p>
TODAY	 <p>PRODUCTION MEANS COSTLY PLANTS</p>	 <p>A MAN OF GREAT WEALTH ALONE CAN FURNISH THE PLANTS</p>	 <p>THE WORKER IS A MERE DOT IN THE ORGANIZATION</p>	 <p>HARD WORK BRINGS PROFIT TO THE OWNER OF THE PLANTS</p>

discovery and exploitation of our resources, the development of machine production, the division of labor which the machine necessitated, the growth of the joint stock company and the gradual reduction of effective competition. When Adam Smith summarized the principles of "free enterprise" in the late eighteenth century, a modern industrial plant was inconceivable. The development of machine industry required increasingly larger amounts of capital to start an enterprise and to compete effectively. Compare the capital required for glass production in the early nineteenth century with that which would be required today to compete with the Libbey-Owens-Ford Glass Co., or Pittsburgh Plate and Glass. In almost every field, whether industrial production or commercial distribution, the number of units which could compete against the growing combines of capital grew smaller and smaller. Theodore Roosevelt's "trust-busting" campaign did not stop the inevitable trend.

If we look at the development of our economic system from the position of labor as a factor in production, we see where some of our present difficulties began. It was an axiom of capitalism that the efficiency essential to successful competition required buying raw materials in the cheapest market and selling products in the dearest market. Labor was part of the raw materials, part of the cost of production. Therefore, the drive was always to keep that item in the balance sheet as low as possible. By increasing the supply of labor through encouraging migration to industrial centers beyond their need for workers and by permitting child labor, workers were forced to compete against each other for available jobs, the cost of production was lowered and possibilities of successful competition enhanced. All "artificial" restrictions on this "free" labor market, such as wage, hour and child labor legislation and especially labor organization, were strictly taboo. That is why strikes were illegal for so long and why so many legal difficulties were put in the way of labor organizations.

The economic consequences of the low standard of living (low compared with the wealth produced) thus created were not apparent until after the first World War, because of two factors. (1) The lack of purchasing power among consumers for the products of growing industries was not considered an economic handicap because: (a) Industry still had a very large market for durable or capital goods (i.e., railroad ties, ships, machinery, etc.) (b) The export market could

absorb a higher percentage of the productive capacity of field, factory and mine than was possible later. (2) The safety-valve of free land and the hang-over of recent pioneer experience operated to encourage an individualism which was already being denied by the fact of the machine.

The ghastly consequences of this regard for labor as merely a factor in production were not realized while capital was more necessary than consumer purchasing power, and while free land was available. But by 1930 they had engulfed us. Then we faced the mad dilemma of too much goods in our warehouses, too much capital in our banks, and millions of idle, half-starved people without the purchasing power necessary to enjoy the fruits of the generations of workers, scientists, and entrepreneurs which had gone before them. What a contrast with the vision of Adam Smith!

CERTAIN FEATURES OF OUR ECONOMIC ORDER

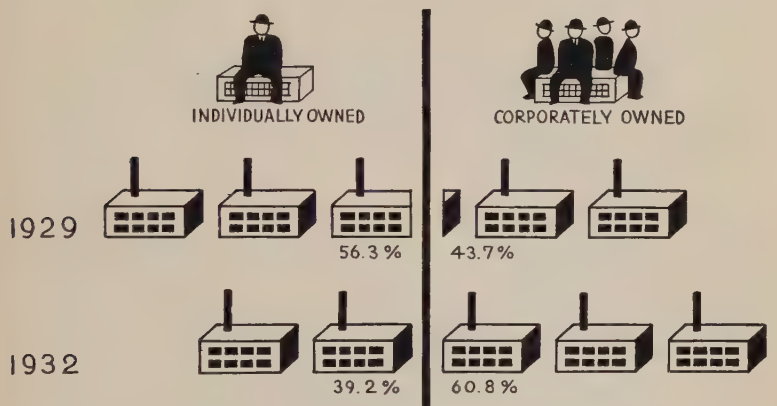
A defense boom, requiring idle capital and workers and more intensified production in agriculture and industry has "saved" us for the moment. Yet if we examine the actual features of this economic development more closely we shall see that no armaments boom can save us, although it may give us time to make the necessary changes.

We saw that in 1789 our economy was characterized by a host of small competing units with a wide distribution of the ownership of industry and, to a lesser extent, a wide distribution in the ownership of land. We saw that control and ownership were identical. What is the situation now? Who owns business enterprise today?

Distribution of Ownership of Industry. It is estimated that, if the rate of concentration of wealth which occurred from 1924 to 1929 continued until 1950, the 200 largest corporations, which own one-half of all the non-banking corporate assets, would control 85 per cent of all corporate wealth.¹ The depression, however, accelerated this process of integration of ownership. In 1929, 56.3 per cent of American

1. Berle and Means: *The Modern Corporation and Private Property*.

CORPORATION OWNERSHIP HAS GROWN



EACH FACTORY REPRESENTS 20% OF U.S. CORPORATIONS FOR THE YEAR NAMED

enterprises were individually owned, while 43.7 per cent were corporately owned. In 1932, 39.2 per cent were individually owned, while 60.8 per cent were corporately owned.² While these enterprises which were corporately owned accounted for an even larger percentage of our total production, these figures do not tell the whole story of the 200 corporations which dominate production. *Fifteen of these 200 are controlled by 3 families*, with shareholdings of \$1,400,000,000 which are so placed as to give them dominance.³ According to the T.N.E.C. Report, 75,000 persons (0.6 per cent of the population) own one-half of all the corporate stock held by individuals.

Distribution of Income. This concentration of ownership of the means of production in the hands of a very small group of people, under an economic system which operates on the profit motive, naturally results in wide disparities in the distribution of income. In 1929, we produced goods and services valued at approximately 81 billion dollars. The share of this received by 71 per cent of American families was less than \$2,500 each. On the other hand,

2. R. R. Doane: *Measurement of American Wealth*, p. 27. (Although these figures are for 1932, they are the best summarization available. Government studies based on less comprehensive data since 1932 confirm the continuance of the trend.)

3. Report of the Temporary National Economic Committee.

220,000 families, approximately 8/10 of 1 per cent of the population, received 20 per cent of the national income. The 36,000 families at the top received in the aggregate an amount equal to the aggregate income of 12 million families at the bottom whose annual incomes were less than \$1,500. Three-fifths of America's families in our year of prosperity had inadequate incomes to furnish the basic necessities of life. Seventy-four per cent of America's urban and village families lacked sufficient funds to provide an adequate diet at moderate cost as worked out by the U.S. Dept. of Agriculture.⁴

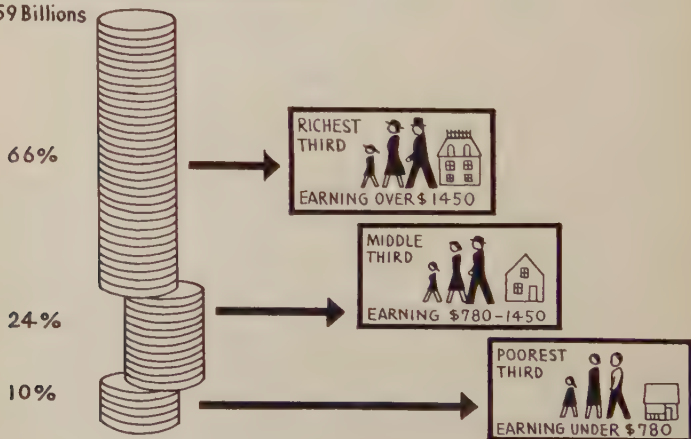
Perhaps the human content of this inequality can be grasped if we compare two actual budgets: The family of, let us say, John Jones was one of 5,899,000 (21 per cent of population) which averaged \$491 annual income for 1929. This is how the income was spent to meet the needs of a family of four: Food, \$240 (\$312 was required for even a restricted diet). Housing, \$100 (a slum, renting for \$8.50 per month). Clothing, \$60. All other expenses, including furniture, medicine, insurance, church, care fare, etc., \$91 for the year! On the other

4. Income and Economic Progress—Maxwell Stewart—Public Affairs Pamphlet No. 1 based on Brookings Institution study of America's capacity to consume.

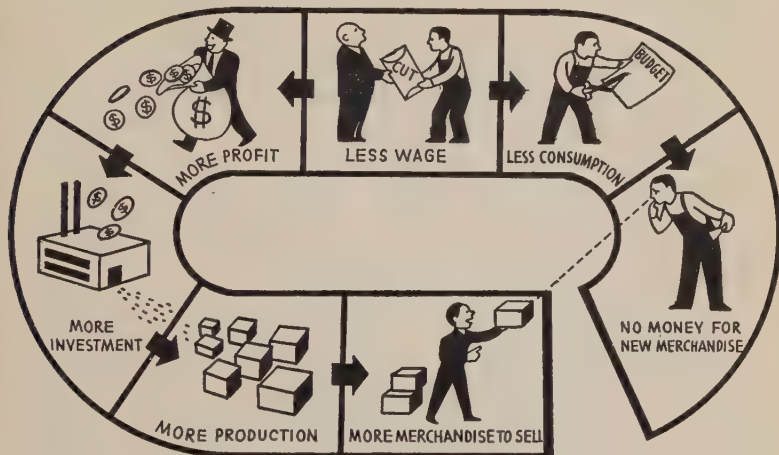
HOW OUR NATIONAL INCOME WAS SHARED

TOTAL NATIONAL INCOME (1935-36)

\$59 Billions



WHAT CAUSED THAT BROKEN CHAIN?



hand, we have a study of the budgets of 4,000 families living on Park Avenue in New York in 1929, as reported by H. Gordon Duval, President of the Park Avenue Association. The family of, let us say, Mr. Mortimer Gotrocks, has an income of \$366,000 for the year. (This was the average for Park Avenue in 1929.) Here is how he spends it: Rent, \$4,500. Groceries, \$4,000. Clothing, \$21,000. Transportation, \$6,500. Theatre and art, \$5,000. Books, papers, etc., \$500. Church, \$1,250. Beauty shops, \$1,000. Liquor, \$3,750. Flowers, \$1,095. Servants, \$4,000. Yachts, \$1,750. Other items (gifts, doctors, education, etc.), \$15,655. In spite of the fact that these items may seem fantastic to the average American, the total spent was only \$70,000 of an income of \$366,000. The remainder, \$296,000, was left for re-investment and taxes.⁵

While one-third of our population was living precariously below the line of efficiency and even decency, a very small group of people at the top, *after* paying taxes, and after satisfying every expensive whim which those who live by the luxury trades could devise for them to

5. Sherwood Eddy—"Religion and Social Justice."

spend their money on, reinvested 65 per cent⁶ of their annual income. Although the only profitable investment was in making goods and providing services which people wanted *and had the money to buy*, we had the Alice-in-Wonderland spectacle of the 10 per cent who received 50 per cent of the income, reinvesting their surplus in the production of more goods to sell to the 90 per cent of the people who could only afford to buy one-half the goods already being produced! The conclusion seems obvious that in recent years "our capacity to produce consumer goods has been chronically in excess of the amount which consumers are able to take off the market; and this situation is attributable to the increasing proportion of the total income which is diverted to savings channels. The result is a chronic inability to find market outlets adequate to absorb our full productive capacity."⁷

Distribution of Profits. While the figures for return on investments show a *net loss* for depression years, this is by no means the whole story. The important figure to consider is the *distribution* of profits. The net *income* of the 396 corporations with assets of over \$100 million was \$2,436,000,000 in 1936, whereas the 227,343 companies which have assets of \$50,000 or less reported a net *deficit* of \$102 millions. Less than 4/10 of 1 per cent of the income-reporting companies accounted for 51.6 per cent of the net income of all companies which reported incomes in 1933.⁸ Thus, concentration of ownership is a matter for concern not alone to those whose incomes are exclusively from wages and salaries. Millions of stock and bond holders and small business enterprisers, as well as wage earners, have their security threatened by this concentration.

Price Policies. One of the ways in which we have avoided the full implications of the breakdown in our economic system was to say that our economy could not pull itself out of this depression, as it had previous ones, because "fear of taxation," "fear of government reprisals against business," etc., were infecting entrepreneurs with such paralysis that they could no longer boldly take the risks of expanding their enterprises. The "New Deal" and especially "that man" were to blame. This is nonsense, simply because had there been no New Deal, no social legislation, no increase in the tax burden, it is not likely that the ac-

6. America's Capacity to Consume—Brookings Institution, pp. 260-261.

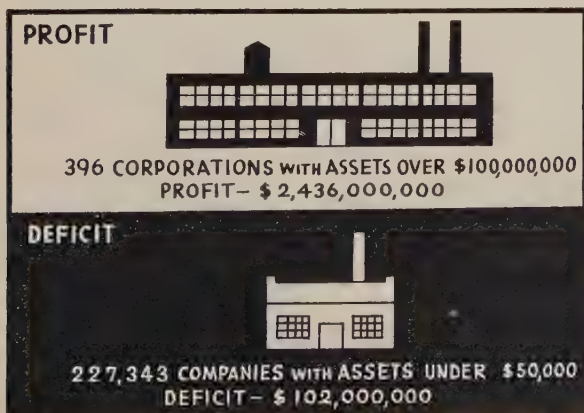
7. Fortune Magazine—November 1935—Reprinted from Falk Foundation.

8. U.S. Bureau of Internal Revenue, *Statistics of Income*, 1936, Part II, pp. 31 and 48.

cumulated capital (savings) would have been used to any great extent to start new enterprises, since there was not an effective demand in the market for their products. Unless the advantages of technology are passed on to the consumer in lower prices, savings will not be used in normal times to build new plants. In the "free enterprise" system the demand for capital goods seems related neither to the available supply of capital nor to the human need for the commodities which can be produced by new plants and equipment. Normally, only an expansion in consumer expenditure yields an increase in demand for capital. With the constant advancing concentration of ownership and income in the hands of relatively few people, it has become correspondingly impossible to secure the essential conditions by which the economic system could serve its purpose; namely, producing and distributing goods and services to the population at a level consistent with the available raw materials, man power and plant capacity.

One of the chief factors in this development is the failure of business enterprise to pass on the advantages gained from technology to the consumers, either by *wage increases* or *price decreases* to a degree necessary to insure the stability and steady expansion of the economic

BIG CORPORATIONS MAKE PROFIT WHILE SMALL COMPANIES LOSE



system. The 1920's were a period of tremendous technological advance in industry. The application of new machinery to production enables each worker to produce more goods. Between 1922 and 1929, the *productivity per wage earner* in manufacturing industries rose 25 per cent.⁹ If we really had a system of "free private enterprise" such as Adam Smith envisaged, with free competition, the pressure of this competition would have forced industry to pass on these gains to the consumer through lowered prices. Yet *retail prices showed practically no change from 1922 to 1929*. While 40 per cent of this gain was passed on in increased wages, the percentage of benefit from scientific advance realized by the masses of consumers, as compared with the benefits realized by the small number of owners of capital, was not sufficient to sustain a market for the products and the resultant "over-supply" of commodities resulted in the depression.

This stabilization of prices which has been a factor in our economy for some years has been caused by the growth of monopolies, cartels and trade associations. Whether it is the informal cooperation of a trade association to "stabilize conditions in the market" or the dictation of price by a monopoly or trust, the fact remains that price is more generally determined by the kinds of agreements made among producers than by the free competition of the market. "When a corporation finds itself in a position to fix prices, it usually seeks to establish them at a level which will yield the highest possible profit. . . . There is a tendency to take a short-sighted view and seek the highest possible profit from year to year, rather than to look for the larger ultimate profit through a gradual expansion of the market,"¹⁰ which would come about through lowering the price level.

A comparison of the returns during prosperity and depression as realized by the various groups in our economic process is worth pondering:

9. The gains which have been realized by technological advance—and the distribution of those gains—are well illustrated by the bituminous coal industry. During the 20's there was steady mechanization in the industry. By 1929, 16 per cent fewer workers were digging 14.6 per cent more coal with a 15.8 per cent smaller payroll than in 1919. (For amplification of material on mining, see pp. 7-8 of "Productivity, Wages and National Income," Brookings Institution, Washington, D.C.)

10. Maxwell Stewart: *Income and Economic Progress*, Public Affairs Pamphlet No. 1, p. 21.

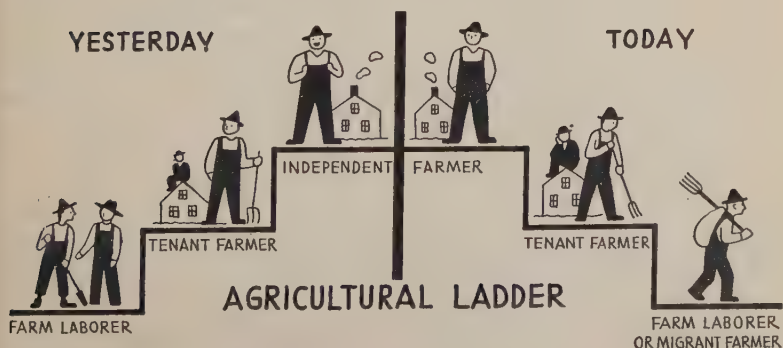
	INCOME		
	<i>Factory workers</i>	<i>Farmers</i>	<i>Investments</i>
1920-1930	plus 5%	plus 8%	plus 66%
1930-1935	minus 57%	minus 57%	minus 30%

Source: University of Chicago Educational Research Project No. 15, p. 11.

Let us consider briefly the consequences of this development on the status of two major groups in society: *the farmer* (agriculture) and the *wage worker* (labor). This will reveal the ways in which economic policies affect our whole life and outlook.

The Status of Farmers and Workers. It is part of the tradition in which, as Americans, we have taken pride, that the qualities of initiative, self-reliance and fortitude, combined with hard work and thrift, lead to sure economic rewards—to "success," irrespective of the family background which is so often considered essential to social status in other countries. For over a century the United States was an agricultural country. Faith in this philosophy was more deeply rooted among farmers than in any other section of the population. Given these qualities, even a landless farm hand could climb slowly but surely up the agricultural ladder—from farm laborer to tenant, and from tenant

YESTERDAY THE FARMER WENT UP— TODAY HE GOES DOWN



to owner. Changes of such far-reaching magnitude have occurred in our whole economic structure, that today the situation is reversed. The trend today is from owner to tenant and from tenant to landless migrant.

The last 150 years have been marked by transformation from sickle to combine; from ox to tractor; from seemingly limitless free land to scarce, high-priced land; from a nation of 4 million people to be fed and clothed, to a nation of 132 million; from a rural civilization to an industrial civilization; from diversified, self-sufficient farms to one-crop commercialized agriculture; from independence of world economic conditions to dependence upon them. In 1870, one-half of the population was engaged in agriculture. In 1930, only one-fifth was so employed. Yet this smaller percentage produced one-fourth more agricultural produce *per capita* of the population than was produced in 1870. Mechanical developments, improved methods of crop production, better soil management and improvements in plant and animal breeding have all contributed to the tremendous increase in our agricultural yield. Has the farmer's status kept pace with the benefits science has brought him?

Standard of Living of Farm Families. According to the 1940 Census, one-half of all farmers in 1939 had cash incomes averaging \$415 per year. More than one-quarter of our farm families had cash incomes averaging only \$195 per year. This meagre sum had to meet payments on the mortgage, interest, taxes, feed and fertilizer bills, and replacement of tools and work stock. The remainder was available for food, clothing, furniture, medical care, education, etc. Conservative estimates show that 3 million farm families (about 15 million rural people) "are existing today on incomes so abnormally low that their living standards are unwholesome." This poverty, it is to be remembered, is the fruit of long hard toil usually on the part of the whole family.

Even if we take the farmers with larger incomes and translate the phrase "standard of living" into terms of actual commodities, we see how poor is the return of the farmer on his labor and investment. The largest group of farm families had incomes of less than \$1,000 in 1935. The next group had incomes between \$1,000 and \$1,250. In this group were 11.7 per cent of the farm families. Their income averaged

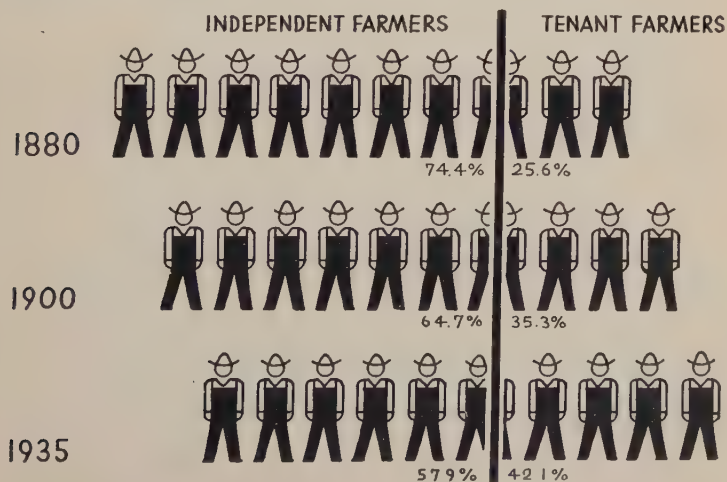
\$634 in money and \$493 in the form of housing, food, fuel, ice and other items provided by the farm. Even in this more favored group, one out of three had deficient diets; five out of six had no running water; nine out of ten no indoor toilet; four out of five no electric lights.¹ The economic disadvantage of farm families becomes cumulative in terms, for instance, of educational opportunities for rural children. The rural areas receive only 9 per cent of the national income, yet they have 31 per cent of the children of school age.² Only one-fourth of the rural and semi-rural counties in the U.S.A. have organized health departments capable of modern methods of disease prevention and control.

Farm Ownership. What of the opportunities of the farmer to improve his status as a farm owner? The values inherent in farm ownership are an old American ideal. The early settlers who turned our wilderness into flourishing farms by their own toil had a dread of tenancy which they brought from their experience in the semi-feudal agrarian areas of Europe. America had vast resources, and her farmers

1. Patterns of Living for Farm Families—W. W. Alexander, U.S. Dept. of Agriculture—Yearbook, 1940, p. 870.

2. O. V. Wells—"Agriculture Today," U.S. Dept. of Agriculture Yearbook, 1940, p. 389.

FARM TENANCY



worked hard; there would be no poor peasantry here. Yet a glance at the record since the close of the nineteenth century, which also marked the close of the frontier, is far from reassuring.

In 1880, there were slightly over a million tenant farmers—mostly in the South. By 1935 the number had increased 180 per cent to 2,865,155 and they were distributed throughout the United States, with the exception of the Northeast. Less than 30 per cent of the farms in the rich farming states of South Dakota, Iowa and Illinois are now owned by the farmers who operate them. In the Cotton Belt only between 30 and 40 per cent are owner-operated. *There was not a decade between 1890 and 1930 when the number of tenant farmers did not increase more rapidly than that of owners.* During this same period most European countries have either reversed the trend toward tenancy or made reforms in the interests of the general welfare. Ireland has moved from 97 per cent tenancy in 1870 to 3 per cent in 1940. Denmark has made similar progress in changing from large estates to family size farms. When the United States was still in its colonial stage, four out of five freemen were independent farmers. Today, if we take the value of all farm land, only 42 per cent of it is operated by independent farmers.

This concentration of ownership is due, in large measure, to the fact that, during the war and immediate post-war years, farmers were encouraged to mortgage their land to buy new equipment, and to expand their acreage (enlarging their indebtedness) in order to meet the demand from Europe for bigger crops. When this market collapsed suddenly and farm prices sagged, mortgage interest rates continued at the high level of war years. Drought and depression further aggravated the farmers' difficulties. The new equipment was expensive to maintain. A horse works on feed from the farm, but a tractor runs on gasoline. As a result, the depression years were marked by a wave of foreclosures. The figures for insurance company holdings of farm lands will indicate the magnitude of this change in the farmer's status. In 1927, the 49 largest insurance companies held nearly \$2 billion of farm mortgages. By 1938 they had only \$800 million invested in farm mortgages. But, the urban and rural real estate *holdings* of insurance companies rose from \$255 million in 1927, to nearly \$2 billion (\$1,982 million) in 1938.³

3. Temporary National Economic Committee Hearings, *Investigation of the Concentration of Economic Power*, Part 4, p. 1519.

Behind these cold statistics lie the broken dreams, the heartbreak and tragedy of those who had lost their farms and homes. The big corporations and banks became the farmers and, by consolidating lands and introducing the most modern scientific knowledge and equipment, made a profit in agriculture. Meanwhile the struggling farmers who still managed to hold their own land had to compete against these new conditions. It is an old story—one that has been told by Isaiah and Jeremiah: "Woe to men who add house to house, who join field to field, until there is room for none but them in all the land." "For thus saith the Lord God of Israel; Houses and fields and vineyards shall be possessed again in this land."

Thus, on the one hand, we have a set of values and ideals essential to the realization of a functioning democracy—equality of opportunity, a rising standard of living, increasing educational facilities, the ability to move from tenant to farm owner (granted hard work and initiative) and faith in the future, based on confidence that our economic life will continue to function effectively. On the other hand, in the actual *facts* of the situation, we have the negation of these ideals. We have "unwholesomely low" standard of living for farm families; we have tenancy and migrancy increasing far faster than ownership; we have rural areas, once considered the backbone of American culture, at a disadvantage in education, medical service and cultural opportunities. If the United States were a poor country; if population pressed too closely on the available food supply; if we lacked technical equipment or distribution facilities or scientific knowledge, then our plight would be understandable. But we are a country rich in agricultural resources; our transportation system is good and has been constantly improved; and the application of science to farming has enormously increased the yield of our agricultural acreage.

The full magnitude of this paradox is obvious only when we realize that one-third of our total population lacks adequate food and clothing, which the rich land God has given us could abundantly provide. This enormous section of our population—rickety children, hungry men and women, all the sick suffering from diseases that proper nutrition would have prevented—stand in living condemnation of our stewardship of the good earth. "Who has much entrusted to him will have the more demanded from him."

Man and the Machine. The closing of the frontier which preceded the first World War and the rapid development of technology which followed it, combined with the concentration of economic power, restricted the possibility of the worker realizing "The American Dream." His only hope of livelihood now depended on selling his labor power to the owner of the machine. If one doubts that a man is robbed of his sense of dignity and independence when the standard of living of himself and his family is dependent on the exigencies of a machine to which he is a "hand," try to picture the individual worker in a steel mill or auto plant going to his employer to appeal, on the basis of man-to-man justice, for a little larger share in the returns of his labor.



The utter impotence of the individual worker before the (to him) blind economic forces which decide his destiny is one of the terrible consequences of our economic pattern. It is rather popular today for comfortable people to decry the demand for security as a sign of weakness, loss of morale and "lack of the courage which made this nation

great." They do not see that this demand for security by the workers is an insistence that as human beings they should not be the pawn of an economic game for someone else's profits; that they should not be at the mercy of the decisions of a few men on the top of the economic pyramid. Is not this demand for security a demand for what the pioneers had: opportunity to move out and develop, on their own, equal access to the resources of the earth—rather than a repudiation of the pioneer spirit?

The natural scarcity of economic resources has been overcome by the application of technology. In spite of a vastly increased population we have the capacity to abolish poverty and could enable every person to enjoy a "health, comfort and efficiency standard of life." The physical labor of man has been enormously reduced. For the first time in history every part of the world is literally interdependent, and the unity of mankind is a fact. The economic development of only a century and a half has been so vast that its implications stagger the imagination. Can we grasp what it means when we read in the report of the Brookings Institution that in 1929 every family in America that had less than \$2,000 in income could have had that much, without taking a cent from those worth more? Because we failed to make that possibility a fact we had a decade of misery, degradation, fear and starvation, a so-called depression in the business cycle. Medical science knows how to prevent or cure diseases from which millions suffer without benefit of medical aid. Science knows how to bring electric light and power to the service of every home in America, yet a higher percentage of pigpens are lighted by electricity in Norway than are farm homes in America! We have a rich heritage in the political ideal of freedom and equality and yet, if we are honest, we must admit that a child in a Second Avenue slum is not equal to a dog in a Park Avenue apartment in New York City. We may say that America has "the highest standard of living in the world" but that affords no moral comfort to those who know that we have the capital, the technical capacity, the raw materials and the trained workers to *abolish* malnutrition, slums, unemployment, disease, child labor and a host of other curses which rob men of their chance to realize the capacities God gave them.

THE TASK BEFORE US

What can we do to free the economic system from the chains which bind it? The struggle of the seventeenth and eighteenth century out of which we became a nation was, as we have said, to the end that the potentialities of human life might be free to realize themselves—free from outmoded social institutions and ideology which prevented the realization of the new opportunities which science made possible.

The danger now is that, in the temporary respite from our basic economic problems which the defense effort has granted us, we may lose sight of the fundamental issues we have to face to achieve this same end today. Men, equipment, materials and capital have at last been put to work. But the sacrifice and suffering of war will be in vain, if we lose sight of the fact that, in the stage in which we are, war and "peace" are fundamentally the same thing. For us "peace" will bring no end to war unless we solve the economic problem. Christians, who presumably have "eyes to see and ears to hear," should be the first to know that this conflict is not different in its essential character from the peace which preceded it. This tragic war is merely the extension of a decade of tragic peace. As one writer who spent four years on the battle front in the Far East expresses it:

It seems to me that the important thing for us to see clearly now is that the waste of war between nations is but a tragic dramatization of the waste of pre-war peace. What is the essential difference between dumping thousands of tons of food into the sea, or paying farmers to burn or destroy their crops, and paying aviators to accomplish comparable missions with bombing planes? . . . Which is the greater waste, spending ten billion dollars of "surplus labor value" on armaments *now* or not spending another ten billion to enable our 12 million unemployed to produce and consume useful goods? Which is worse, London's East End tenements or the bombers which destroy this barbaric housing or the City of London which loaned the Nazis the money with which to build the bombers? And so on?

Horrible and wasteful and primitive as total war is, the objective truth is that we have apparently given history no alternative method of awakening us to the imperative need for better ways of releasing the creative energy and the technological knowledge which now belong to man. If we understand this, then the goal of the many-sided struggle need not be "the end of civilization" but can lead to its reconstruction on a higher plane. The restoration of peace, therefore, seems to demand the earliest acceptance in the advanced countries of an organic conception of society, economic and political planning on a world scale, an emergence from the barbarism

to which the breakdown of an archaic economic system has returned us, and the realization of a broader and more responsible democracy which can open up for mankind the limitless possibilities of a civilization based on science and truth.¹

If the outcome of war is to yield the real possibility of "a new birth of freedom," if democracy is to become a living faith and an *operating reality* in our common life, we must do more than defeat Hitler. We must defeat the way of life, the scale of values, the mental attitudes of leaders, the whole pattern of economic and political relations among Western nations which made Hitler possible.

In the introduction to this article the opinion was expressed that one of the most hopeful signs of the times is the leadership which outstanding churchmen in Great Britain are providing in this realm. The pronouncement of the Malvern Conference of Church of England leaders and the "ten standards by which economic proposals may be judged" which were agreed upon by the leaders of the Anglican, Roman Catholic and Free Churches offer both a profound critique and sound objectives for our economic and social life.

Some "Interim Tasks." The findings of the Malvern Conference do not provide detailed blueprints of a new social and economic structure. The conference was concerned, rightly, with foundation stones—with the rock on which the house must be built. Changes in social values and economic organization are occurring more rapidly under the pressure of war than at any other time. Even though a new society will not be built in a day, the character of the ultimate change will be determined by the actions we take now in the present emergency. Certain of the principles enunciated by the Malvern Conference may be more rapidly realized at present than others. This is particularly true with reference to the pronouncements on labor and agriculture. The Malvern report says:

The proper purpose of work is the satisfaction of human needs; hence Christian doctrine has insisted that production exists for consumption; but man is personal in all his activities and should find in the work of production a sphere of truly human activity, and the doing of it should be for the producer in part "good life" and not only his way of earning a livelihood. . . . The rights of labor must be recognized as in principle equal to those of capital in the control of industry; whatever the means by which

1. Edgar Snow: *Battle for Asia*, pp. 422-423.

this transformation is effected. While these objectives cannot be fully realized under an industrial system characterized by a high degree of concentration of economic power, it can be safely said that the degree to which we can secure some balance of power within the economy, will determine the degree to which the processes of change are orderly.

The two methods by which this is being gradually achieved, and which require far wider support from Christian groups than they have hitherto had, are the methods of social legislation and labor organization. We have seen that our economic life is throttled because the flow of goods and services is so unevenly distributed that a few at the top have more than they can use and the many at the bottom cannot have the basic necessities of life because of inadequate incomes. Both protective legislation and labor organization are means by which a larger portion of the income from industry is diverted to the lower income groups.

Social Legislation. The method of *Labor Legislation*, regulating wages and hours, has resulted in the last few years in an increase in income to the most disadvantaged group of workers. Such legislation sets a minimum hourly wage and the maximum number of hours which can be worked each week without added compensation for overtime. Although such legislation has been bitterly fought by a number of employers' associations, many employers welcome the protection afforded them from unscrupulous competitors who have no regard for the working and living conditions of their employees. Such protection needs to be supported and extended. The Federal Fair Labor Standards Act applies only to those engaged in inter-state commerce. There are millions of workers engaged in intra-state industries, or in agriculture, domestic service, etc. who have no legal protection from exploitation. *The support of state legislation modeled on the Fair Labor Standards Act would seem an immediate possibility for action by Christian groups.*

Social security legislation, including unemployment compensation insurance, old age benefits, and assistance to widows, orphans, and the handicapped, offers a means by which we can protect millions of people from loss of livelihood due to causes beyond their control. The United States was later than most industrial countries in adopting a social security plan. There are millions of workers who need protection of this kind who are, at present, denied it. These include agricultural workers, household employees, employees of non-profit

agencies (including the churches), small businessmen and government workers. The extension of the Social Security Act to include these categories of workers is an urgent task for *today*. There is scarcely a salary or wage worker in America who does not fear the unemployment which will accompany the readjustment of our economic life to meeting only civilian needs at the end of the present emergency. What steps are we in the churches taking *now* to see that the Malvern declaration, "no one should be deprived of '*the good life*' by the fact that there is at some time no demand for his labor," can be realized in the situation we shall face at the end of the defense emergency?

Legislation, while essential, has its limitations. The government cannot by decree give men the "good life." It is necessary for people to do things for themselves, and to assume responsibility for their own welfare. Clearly in a highly organized, inter-dependent society this is not possible on an individual basis. But it is possible on a group basis.

Labor Organization. The method by which workers have sought to improve their own conditions of work, to secure a larger share of the value of the product of their toil and to have some responsibility in the decisions of industrial policy, is that of self-organization into labor unions. Since modern industrial and commercial organization is characterized by groups of organized employers in trade associations, chambers of commerce, associations of manufacturers, etc., it is difficult to see why organizations of employees is considered so much more a threat to free enterprise, unless, of course, labor is regarded only as a commodity. Such a point of view, however, must be repudiated by Christians. The conditions under which labor has had to organize in the United States, the grim struggle that has accompanied every victory, the fact that every organization of workers, like every organization of employers, has involved power for someone or some group, have meant that there are dark chapters in the history of labor organization. No brief is made here for all the actions of labor leaders and labor unions. But the least that can be said for unions is that they have accomplished the following for their members:

A Higher Standard of Living. It is clear that in an economic system in which wages are part of the cost of production to be kept as low as possible, the only hope of the worker for improving his condition of life depends on his being able to meet the concentrated economic power of the employer (who controls conditions and even

employment) by the united power of the workers. It is a simple fact that labor organization *has* increased the income of workers by millions of dollars. From the point of view of the worker this desire for a better livelihood may be selfish, but from the point of view of the community it is not, since the health of our whole economy depends upon a wider distribution of purchasing power, and the termination of the endless spiral by which the product of industry is syphoned out at the top.

Equalization of Economic Power. An important consequence of labor organization, in an economy like ours, is that it offsets at several strategic points the unlimited economic power of the owners of industry. No human being ought to be permitted the power over the lives of millions of human beings such as our modern captains of industry and finance possess. The decision of one man, or of a handful of men in a given industry, can throw thousands of other men out of employment (with no further responsibility to them). If the American people have a sense of human dignity or any vestige of loyalty to the cause of freedom left, they cannot long endure such mockery of the principles on which our nation was founded.

Through labor organization, workers have achieved a voice in determining their working conditions, the procedures of hiring and firing and, in several instances, in the plans for stabilizing an industry, or in helping to decide the circumstances under which new machinery will be installed. This has given to the worker a greater sense of responsibility and of dignity in his job. It is difficult to see how the statement of Malvern that "the rights of labor must be recognized as in principle equal to those of capital in the control of industry" can be genuinely achieved except by means of responsible labor organization.

Sense of community. One of the important factors in the rise of totalitarianism is the loss of the sense of community. Class divisions, the struggle for bread, the lonely, isolated individual at the mercy of forces—economic, political and social—beyond his influence (characteristic of Western civilization today) will either find an answer in the blind response of frightened masses to a demagogic leader who promises to unite and deliver them, or it will be mitigated by the formation of responsible groups seeking to recapture and fulfill their democratic heritage. No one who has not witnessed labor unions in

action can appreciate what it means to a group of workers to discover community—to discover the fact that they are working together for the benefit of all rather than competing with each other and mistrusting each other. Here may be one of the few ways by which cells of community living and responsibility can be nurtured in a divided society.

Most Christians have moved a long way since the day (not long ago) when it was common practice for employers, especially in company towns, to prevent labor organization by bringing a popular evangelist to town who invariably identified the "beast from the pit" with the labor organizer.² Yet even now, we do not have much understanding of the role and history of the trade union movement and, on the whole, we tend to regard it with a mixture of fear and middle-class snobbishness. There is a tremendous field here for action by Christian groups—*self-education, action against repressive labor legislation, and providing a platform for both sides in labor controversies*. It may be that to restore balance we need to give labor a little more the benefit of the doubt, since for so long church members have condemned labor unions on moral grounds for practices and attitudes which they would not dream of criticizing when exhibited by management.

Agriculture. The Malvern Conference declared that "we must recover reverence for the earth and its resources, treating it no longer as a reservoir of potential wealth to be exploited, but as a storehouse of divine bounty on which we utterly depend. This will carry with it a deliberate revival of agriculture, both by securing to the agricultural laborer good wages and to the farmer a secure and just price."

Various government measures, especially under the Agricultural Adjustment Act, have helped to stabilize farm prices and secure a better balance between agriculture prices and the cost of manufactured goods to the farmer. The problems of tenant farmers and especially migrant agricultural laborers, upon whose labor our fruit and vegetable crops depend, are still pressing for amelioration. Here there are many opportunities for action: *securing proper State regulation and control of employment agencies handling migrant labor; extension of the program of Federal migrant camps providing decent and sanitary shelter; pressing for adequate appropriations for the Farm Security*

2. See *Mill Village Churches, Social Action*, September 1941.

Administration's program for farm tenants and migrants: securing State legislation to prohibit child labor in agriculture; and by supporting organization among tenant and migrant farm workers through which they can secure at least a subsistence wage.

There is perhaps no section of our economic life where the impossibility of achieving genuine *solutions* of our economic difficulties by piecemeal methods is more evidenced than in agriculture. The necessary measures which have been taken to ameliorate the most crying needs have revealed the depths of the contradictions in which we are involved. In the conclusion to his summary of the truly monumental Yearbook of Agriculture, 1940, "Farmers in a Changing World," Mr. Gove Hambidge of the Department of Agriculture writes: "On the one hand we push forward agricultural efficiency, with the inevitable consequences that fewer people are needed for production; on the other hand, we advocate inefficiency, or at any rate tolerate it, by the extension of subsistence farming as the only way to take care of those who are displaced by improved techniques. . . . To the extent that (this dilemma) is unsolved, we can only acknowledge that men are the slaves rather than the masters of their own machines."

If we cannot make a piecemeal approach to this problem, can we free our imaginations to envisage the kind of agricultural community we desire to see in the future and then experiment toward that end? We can accept the following as principles: (1) the possibilities of farm ownership must be increased; (2) the maximum advantages of technology for relieving the labor of farm men and women, and for increasing production must be realized; (3) the disadvantages of the old pattern of individual farm ownership—isolation, an excessive individualism, inadequate cultural opportunities—must be overcome; and (4) the village and small town must be revived as a center of community life and as the rich soil in which the cultural roots of America can again grow strong. One pattern we might envisage would include such features as: individual land ownership; a vast extension of cooperative credit unions to enable farmers to purchase machinery under more favorable terms; cooperative buying of seeds, fertilizer, etc.; cooperative land management where necessary to assure the best use of land and to free the farmer from dependence upon an annual cash crop; and cooperative storage and marketing. In certain types of agriculture, the cooperative use of machinery would be practical. Modern transportation facilities, if further improved, would make

possible the development of the village and small town as the center of the farmer's community life. This all requires a willingness on the part of the farmer to think and work in new patterns, instead of a reliance on traditional attitudes and behavior. It requires the willingness to exert leadership by the farm people themselves and the resolution to maintain the family farm in a way that is economically sound and socially productive in the twentieth century.

The Fundamental Task. We must work for the amelioration of the worst evils of our unbalanced economic order, but, in a period of social revolution hastened by war, we must look too at the fundamental causes and seek the elimination of these. The outstanding feature of the Malvern Declaration is that it did precisely that. It does not rest with stating the necessity for securing better wages to agricultural labor and a juster price to the farmer. The declaration goes further and affirms that "the impoverishment of the agricultural community" is due to "the existing industrial order, with the acquisitive temper characteristic of our society, . . . (which) tends to recklessness and sacrilege in the treatment of natural resources."

The full import of the significance of the Malvern Declaration can be realized only in the light of the data given in the preceding chapters. With that in mind, ponder carefully these statements which constitute the main body of the Malvern Report as it relates to the economic order:

There is no structural organization of society which can bring about the coming of the Kingdom of God on earth, since it is a gift of God, and since all systems can be perverted by the selfishness of man. Therefore, the Church as such can never commit itself to any proposed change in the structure of society as being a self-sufficient means of salvation.

But the Church can point to those features of our existing society which, while they can never prevent individual men and women from becoming Christian, are contrary to divine justice, and act as stumbling-blocks, making it harder for men to live Christian lives.

In our present situation we believe that the maintenance of that part of the structure of our society, by which the ultimate ownership of the principal industrial resources of the community can be vested in the hands of private owners, may be such a stumbling-block. On the one hand it may deprive the poorest members of the community of the essentials of life. On the other, while these resources can be so owned, men will strive for their ownership for themselves. As a consequence, a way of life founded on the supremacy of the economic motive will remain, which is contrary to God's plan for mankind.

For one or both of these reasons, the time has come for Christians to proclaim the need for striving towards a form of society in which, while the essential value of the individual human personality is preserved, the continuance of these abuses will be no longer possible.

It is a traditional doctrine of Christendom that property is necessary to fullness of personal life; all citizens should be enabled to hold such property as contributes to moral independence and spiritual freedom without impairing that of others; but where the rights of property conflict with the establishment of social justice or the general social welfare, those rights should be over-ridden, modified, and, if need be, abolished.

The Proper Purpose of Production

The proper purpose of work is the satisfaction of human needs; hence Christian doctrine has insisted that production exists for consumption; but man is personal in all his activities and should find in the work of production a sphere of truly human activity, and the doing of it should be for the producer a part of the 'good life' and not only his way of earning a livelihood.

The existing industrial order with the acquisitive temper characteristic of our society tends to recklessness and sacrilege in the treatment of the natural resources. It has led to the impoverishment of the agricultural community, and is largely responsible for the problem of the 'mass man' who is conscious of no status, spiritual or social, who is a mere item in the machinery of production and who easily develops the herd psychology which is automatically responsive to skillful propaganda.

In short, the Malvern Conference called upon Christians to proclaim the need for striving towards a form of society in which production will be carried on solely to meet human needs, in which the resources of the earth and the discoveries of science will be used for raising the level of life for all rather than exploited for profit for the few; a society in which the life of no man, woman, or child shall be warped and degraded by causes beyond their control. The members of the Conference pointed to the private ownership of industrial resources as the possible factor which is responsible for the breakdown of our economic life, with its accompanying misery, fear, despair and negation of the values which as Christians we believe must be served if the life of man is to glorify the God who created him.

It is not the purpose of this article to provide a blueprint for a society in which this "stumbling-block" is eliminated. Many are the proposals for achieving a society in which human beings shall be freed to realize the new possibilities of life which science now makes possible. Some of these are: *cooperatives, government regulation, government control, shifting from a scarcity to a plenty economy, and public ownership of the means of production.* If we are given (what perhaps

we do not deserve) the luxury of gradual change, it is possible that a combination of these proposals—different ones applied to different enterprises—may be necessary and desirable.

The first and foremost responsibility of church members is the willingness to face the facts, to study the problems objectively, and to experiment with action where possible. The most important thing for us to do is to *put first things first*. We need self-examination for this. Do I really believe (and act on the belief) that the people who live on the wrong side of the tracks are more important than vested property rights? (Then what is my reaction when the police beat up strikers—or my state legislature votes down the child labor amendment?) Do I believe that Negroes do not really *require* decent houses, well located—or equal pay for equal work? If I answer the first question in the affirmative and the second in the negative, what am I doing to secure *equality of opportunity* for disadvantaged groups? How does this activity differ from what is commonly called "charity"? If I believe that political democracy withers when it tries to exist side by side with economic oligarchy, what am I doing as a consumer, worker, or employer to secure a larger measure of economic democracy?

The way we act *now*, in the present emergency, conditions what we shall be at the end of the emergency. The present alone is "the germling of the future." If we proceed now in traditional grooves of thinking and acting; if we allow the burden of sacrifice in this war to be as unevenly distributed as we have allowed the fruits of our economy to be enjoyed in the past; if we seek to suppress labor unions; if we hound aliens, discriminate against Negroes, suppress civil liberties, allow big corporations to realize large profits on defense contracts, and maintain monopolies, we shall be in no position to make the necessary changes toward freedom and prosperity at the end of the war.

The *kind* of world we shall face then is being fashioned *now*. We have not begun in America to make the changes in vested interests that Great Britain has made. We have not begun to think in terms of the future in the way they have done, for example, on the subject of taxation. We cannot long put off the day of such thinking and acting. If we do not begin a new day now, then at the end of the war—exhausted and frightened—we shall shrink back from the struggle and plead only a "return to normalcy," a plea which failed in 1920, and will fail even more dismally in the future.

There is only one task for the church—to proclaim fearlessly and without resting that this nation and its citizens must turn back to the God who is Creator, Judge and Redeemer of human life. It must proclaim, without sycophant fear of offense, the specific wrongs which are an offense in the sight of that God. In his first sermon, Christ proclaimed his mission: to open the eyes of the blind and the ears of the deaf, to release those who were in bondage and to set free the oppressed. That same mission is the task of his church today: to free people from the blindness and deafness that makes them unable to judge the signs of their own times, to set men free from oppression and to proclaim to the people the conditions which must obtain in a nation which is acceptable in the sight of God. Only on the basis of those conditions can the peace, freedom and prosperity we desperately seek be realized, and our nation so richly endowed, come into its full heritage.

QUESTIONS FOR DISCUSSION

1. Do you agree with the Malvern Declaration that "The Church can point to those features of our existing society which . . . are contrary to divine justice"?
2. What does "repentance" require of us in relation to our own communities?
3. How does the unequal distribution of ownership (of land as well as industry), income and profits, compare with the Christian concept of the equality of all men before God?
4. How can consumers organize to protect themselves, as labor has done, from the consequences of "price-fixing" policies of business groups?
5. Do you believe in and will you work for an extension of social security legislation to include church employees and other groups now excluded from the Act?

6. Various government departments are working on plans for post-war adjustment of our economy from defense production to production for consumer needs. What is the role of the church and religious people in developing an economic philosophy which will prevent the errors of 1919-1929?
7. Make a list of specific features which you as an individual (or your discussion group) would like to see characterize a post-war society.
8. What are the attitudes, among people you know, (a) toward taxation; (b) toward expenditures for non-defense items in the Federal budget (especially relief); (c) toward labor organization; (d) toward the role of government in relation to business and industry. What effect will these attitudes have in the post-war period?
9. Study the plans for change suggested by the books listed in the bibliography. Assign a member of the group to read one of the books, reporting it objectively, and then discuss it in the group. Constantly raise the question: What changes would this require in present structure, practice, and attitudes? The pamphlet of the National Resources Planning Board, "After Defense—What?" offers an outline around which material may be organized.

READING FOR RECONSTRUCTION

- The Church and the Economic Order* (Oxford Conference Report), Universal Christian Council, 297 Fourth Avenue, New York, 15c.
- Report of the Archbishop of York's Conference on the Life of the Church and the Order of Society* (Malvern Conference), Information Service, May 31, 1941, 5c. (Order from the Council for Social Action).
- Christian Faith and Democracy*, by Gregory Vlastos, Hazen Books, Association Press, 1940, 50c.
- Christian Faith and Social Action*, by Rose Terlin, Womans Press, 1940, 25c.
- Towards the Christian Revolution*, by R. B. Y. Scott and Gregory Vlastos, Willett, Clark, 1936, \$2.00.

Where Do We Go From Here? by Harold Laski, Viking Press, 1940, \$1.75.

Folklore of Capitalism, by Thurman Arnold, Yale University Press, 1937, \$3.00.

Do You Know Labor? by James Myers, National Home Library Foundation, 1940, 50c.

It Is Later Than You Think, by Max Lerner, Viking Press, 1938, \$2.50.

The Economy of Abundance, by Stuart Chase, Macmillan, 1934, \$1.00 (reissue).

Cooperative Democracy, by J. P. Warbasse, Harpers, 1936, \$3.00. (Special edition from Cooperative League, 167 West 12th St., New York, \$1.50).

Public Affairs Pamphlets, 30 Rockefeller Plaza, New York, 10c. each. *Income and Economic Progress*, by Maxwell Stewart; *Machines and Tomorrow's World*, by W. F. Ogburn; *Farmers Without Land*, by Rupert Vance; *The South's Place in the Nation*, by Rupert Vance; *Industrial Price Policies*, by Maxwell Stewart.

Government Publications. Write to Superintendent of Documents, Washington, D. C.

From the National Resources Planning Board: *After Defense, What?* Single copies free; *Technological Trends and National Policy* (\$1.00); *The Structure of National Economy* (Part I)—*Basic Trends* (\$1.00) and (Part II) *Towards Full Use of Resources* (15c.); *Development of Resources and Stabilization of Employment*—Part I (25c.).

From the Temporary National Economic Committee: *Economic Prologue*, Hearings, Part I, December 1-3, 1938 (25c.); *Technology and the Concentration of Economic Power*, Part 30, April, 1940 (\$1.75); *Towards More Housing*, Monograph No. 8 (30c.); *Taxation, Recovery and Defense*, Monograph No. 20 (35c.); *Agriculture and the National Economy*, Monograph No. 23 (10c.); *The Distribution of Ownership in the 200 Largest Non-financial Corporations*, Monograph No. 29 (\$2.00); *Final Report and Recommendations of the T.N.E.C. 1941* (\$1.00); *Final Report of the Executive Secretary to the T.N.E.C. on the Concentration of Economic Power in the United States, 1941* (55c.).

From the U.S. Department of Agriculture: *Farmers in a Changing World*, 1940 Yearbook (\$1.50, or write your Congressman for a free copy).

AMERICAN CHURCHES AND WORLD ORDER

A STUDY PACKET

Contents

The Struggle for World Order, by Vera Micheles Dean

Vivid, simply worded account of the backgrounds of the present war; the results that may issue from it; and some of the plans that have been proposed for preventing another such disaster from coming after another brief armed truce.

The Roosevelt-Churchill Eight Points; Long Range Peace Objectives, by John Foster Dulles; *Analysis of the "Atlantic Charter,"* by Bertram Pickard; *World Government*, issued by the National Peace Conference
Sample body of material to illustrate the kind of effort that is being made, and must be made in far more precise terms, to face some of the problems examined in Mrs Dean's pamphlet.

An Analysis of Religious Proposals for World Order, by Liston Pope
Critical survey of 34 proposals already put forward by religious bodies or leaders since the Oxford and Edinburgh Conferences of 1937. This analysis provides for the first time, we believe, a convenient guide to the considerable literature in which the concern of the churches and other religious groups for world order is finding expression.

The Study of Peace Aims, by Richard M. Fagley
Handbook of methods and procedure for study groups.

A Discussion Outline

Based primarily on "Struggle for World Order," to cover six meetings.

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New York

PREVIEW OF SOCIAL ACTION

We consider *Faith for Reconstruction* a basic article for the use of discussion groups in the months ahead. Five of the next six issues of SOCIAL ACTION will deal with specific aspects of the problems outlined by Miss Terlin.

January—*The Negro in Industry* by Frank Crosswaith

With the expanding defense program, unemployment is being reduced. However, in spite of the demand for trained workers, Negroes still find it difficult to obtain work in many industries. This issue will deal with the immediate situation as well as with the long-range problem of the Negro in industry.

February—*Home in Transition (enlarged and revised)* by Grace Loucks Elliott

Several years ago Mrs. Elliott wrote an issue of SOCIAL ACTION, "The Home in Transition," which has been reprinted several times and is still very much in demand. Mrs. Elliott's new 64-page presentation, twice the size of the original issue, will, we believe, be an important handbook on the problem of family relations in a period of economic and cultural change.

March—*Rural Slums* by Dana Doten

There is considerable material on the problem of urban housing. This issue will deal with the necessity for improving housing in rural communities, a subject which has had too little discussion. Dana Doten, the author, is in charge of publications for the U.S. Housing Authority, and has made a special study of this question.

April—*Social Security*

The extension of our present Social Security program to include agricultural and domestic workers, as well as the employees of philanthropic agencies and churches, will be under serious consideration in this session of Congress. This is a matter of particular concern to church groups, because it will affect the welfare of their own employees as well as that of other workers.

May—*A History of Social Action* by Arthur E. Holt

When the General Council meets at Hanover in June, one of the major items for discussion will be the revision of the Statement of Social Ideals. This issue of the magazine will deal with the historical background of the development of Social Action in our denomination.

June—*The Post-War World* by Robert L. Calhoun

This issue will be a report of our own Congregational Christian Study of World Order, and will again provide background material for discussion and action at the General Council.